

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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GREAT AMERICAN INSURANCE COMPANY,

CASE NO.

07 CIV. 6498 (RMB)

Plaintiff,

-against-

**DECLARATION  
IN OPPOSITION**

MARTIN L. SOLOMON, EDWIN W. ELDER,  
WILLIAM J. BARRETT, WILMER J. THOMAS,  
JR., JOHN A. DORE, KARLA VIOLETTA,  
KINGSWAY FINANCIAL SERVICES, INC.  
and AMERICAN COUNTRY HOLDINGS INC.,

Defendants.

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STATE OF NEW YORK                    )  
  ) ss:  
COUNTY OF NEW YORK                 )

I, Lester Chanin, hereby declare, under penalty of perjury:

1. I am a member of Goodman & Jacobs LLP, attorneys for Defendants Kingsway Financial Services, Inc. ("Kingsway") and American Country Holdings Inc. ("American Country") (collectively the "American Country Defendants"), and submit this Declaration in opposition to plaintiff Great American Insurance Company's ("Great American") Motion to Dismiss the American Country Defendants' bad faith Counterclaim (the "Counterclaim"), pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure.

2. A copy of the First Amended Interpleader Complaint in this action is attached as Exhibit A.

3. A copy of the American Country Defendants' Answer to First Amended Interpleader Complaint and Counterclaim is attached as Exhibit B.

4. A copy of the Third Amended Complaint in the underlying action (the "Related Action"), also pending in this Court, is attached as Exhibit C.

5. A copy of Great American's Directors', Officers, Insured Entity and Employment Practices Liability Insurance policy no. DOL5741496 issued to American Country Holdings, Inc. for the policy period July 24, 2001 to July 24, 2002 is attached as Exhibit D.

6. A copy of a letter from Harold J. Ruvoldt, Esq. of Edwards & Angell LLP to Lewis J. Liman, Esq. of Cleary, Gottlieb, Steen & Hamilton dated August 23, 2004 is attached as Exhibit E.

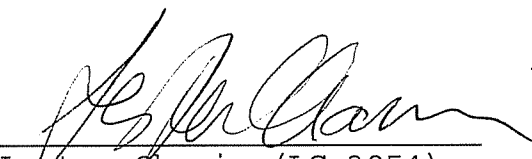
7. A copy of a letter from Sue C. Jacobs of Goodman & Jacobs LLP to James A. Skarzynski, Esq. of Boundas, Skarzynski, Walsh & Black, LLC dated September 6, 2005 is attached as Exhibit F.

8. A copy of a letter from Harold J. Ruvoldt, Esq. of Edwards Angell Palmer & Dodge LLP to Lewis J. Liman, Esq. of Cleary, Gottlieb, Steen & Hamilton dated November 11, 2005 is attached as Exhibit G.

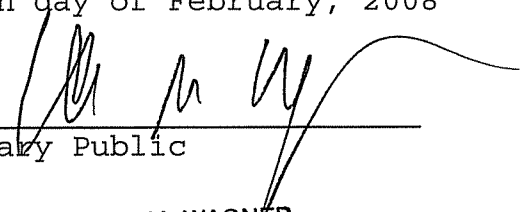
9. A copy of a letter from Howard J. Ruvoldt, Esq. to John S. Siffert, Esq. of Lankler Siffert & Wohl, LLP dated March 3, 2006 is attached as Exhibit H.

10. Attached as Exhibit I is a copy of a letter from Rachel L. Simon, Esq. of Boundas, Skarzynski, Walsh & Black, LLC to Sue C. Jacobs, Esq. of Goodman & Jacobs LLP dated August 15, 2007 enclosing a check in the amount of \$191,669.78 dated July 30, 2007 from Great American Insurance Company to Kingsway America, Inc. re the Great American Policy, with the Statement of Account: "Cost of Defense Advancement."

11. A copy of an Indemnification Agreement dated April 2, 2002 between American Country and John A. Dore, the former Chief Executive Officer of American Country is attached as Exhibit J. We believe there are similar indemnity agreements between American Country and all the other individual defendants, the former directors of American Country.

  
Lester Chanin (LC-3954)

Sworn to before me this  
15th day of February, 2008

  
Notary Public

HOWARD M. WAGNER  
Notary Public, State of New York  
No. 02WA6068705  
Qualified in New York County  
Commission Expires January 14, 2010